

September 15, 2010

ITEM NO. B9

AUTHORIZATION TO EXECUTE AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENT (AHAP) CONTRACT FOR HOPE MANOR APARTMENTS

To the Honorable Board of Commissioners:

RECOMMENDATIONS

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to execute an Agreement to enter into a Housing Assistance Payment (“AHAP”) Contract with the Volunteers of America of Illinois or its nominee to provide Property Rental Assistance (Project Based Vouchers) for thirty (30) Studio apartments at Hope Manor Apartments for the maximum allowable term, subject to any required HUD approvals. It is further recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to take all action and execute all documents necessary or appropriate to implement the foregoing.

FUNDING SOURCE

Housing Choice Voucher Program (Property Rental Assistance)

EXPLANATION

Hope Manor Apartments (“Hope Manor”) is a supportive housing development for Veterans in a new construction development to be located in the Humboldt Park community. Hope Manor will provide 50 units of supportive housing for Veterans who are homeless or at risk of becoming homeless. The building will be 4-stories and consist of 30 studios, 10 two-bedroom and 10 three-bedroom units. The 30 studio units will receive Property Rental Assistance (formerly known as Project Based Vouchers). The two and three-bedroom units will receive a operating subsidy from the U.S. Department of Veterans Affairs (VA) to provide rental assistance. The VA will also provide funding for supportive services for all of the units in the development.

This development is an important component of the City of Chicago’s Supportive Housing Initiative, established in 2002 and provides shelter for those who cannot participate in the traditional housing market due to personal challenges such as illness, substance abuse, domestic violence or homelessness.

The building’s first floor space will include full time on-site comprehensive supportive service offices, a full service Training Resource Center for residents, a large community meeting room, private enclosed and covered indoor and outdoor green spaces, a fitness room and multi-purpose rooms. Every unit will have its own kitchen and bathroom, each residential floor will have laundry facilities and there will be 24 parking spaces on-site.

The development site is located in the Humboldt Park community at 3053 W. Franklin Blvd. in the 27th Ward. The surrounding residential neighborhood contains a mix of brick two and three-flats. The commercial strips are on Kedzie Avenue to the west and Chicago Avenue to the north. The community has two historic city parks: Humboldt Park is to the northeast and Garfield Park is to the west.

The site is very conveniently located to several public transportation options. Nearby medical facilities include Sacred Heart Hospital at Kedzie and Franklin, Norwegian American Hospital at 1044 N. Franklin and the city's major medical center, which includes the Jesse Brown VA Medical Center, John Stroger Hospital of Cook County, the University of Illinois Medical Center complex and Rush University.

The developer is Volunteers of America of Illinois (VOAIL) an affiliate of Volunteers of America (VOA), a national not-for-profit organization dedicated to helping people in need of rebuilding their lives to reach full potential. VOA was founded in 1896 and serves more than 2 million people each year in over 400 communities throughout the country. VOA began developing affordable multifamily housing in 1968 under its subsidiary Volunteers of America National Service (VOANS). Today VOANS is the largest non-profit developer of affordable housing for seniors and disabled persons and has developed over 185 projects under HUD's Section 202 and 811 programs as well as assisted living facilities, nursing homes and low-income family housing. VOANS has become a national leader in providing transitional and permanent housing for Veterans along with job training, case management, education, legal assistance, mental health services and substance abuse treatment. VOA serves more than 6,000 Veterans each year through a variety of programs including 12 Homeless Veteran Reintegration Programs, 32 general supportive housing programs, 2 housing programs for incarcerated Veterans, 2 housing programs designed specifically for Veterans with substance abuse issues and several other special needs programs. Volunteers of America of Illinois is one of the oldest affiliates within the VOA and has been serving people in Illinois for more than 112 years. Each year VOAIL serves more than 1,000 people through a broad range of services including child welfare and permanent supportive housing for homeless Veterans. More specifically, VOAIL serves over 250 Veterans every year through comprehensive programs designed to move Veterans from homelessness to self-sufficiency through mentoring, job training and job placement.

The total development cost for this project will be approximately \$14,671,956 and will be funded by a mix of public and private sources. The only cost to CHA toward this development will be the Property Rental Assistance (Project Based Vouchers). The Project-Based Voucher statutes and regulations will be followed in leasing the 30 Project-Based Voucher assisted units.

Based on the foregoing, it is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to execute an AHAP Contract with Volunteers of America of Illinois or its nominee to provide Property Rental Assistance (Project Based Vouchers) for thirty (30) units at Hope Manor, a supportive housing development for Veterans who are homeless or at risk of becoming homeless for the maximum allowable term, subject to any required HUD approvals. It is further recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to take all action and execute all documents necessary or appropriate to implement the foregoing.

RESOLUTION NO. 2010-CHA-113

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated September 15, 2010 entitled “AUTHORIZATION TO EXECUTE AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENT (AHAP) CONTRACT FOR HOPE MANOR APARTMENTS”.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer, or his designee to execute an Agreement to enter into a Housing Assistance Payment (“AHAP”) Contract with the Volunteers of America of Illinois or its nominee to provide Property Rental Assistance (Project Based Vouchers) for thirty (30) Studio apartments at Hope Manor Apartments, a supportive housing development for Veterans, for the maximum allowable term, subject to any required HUD approvals. The Chief Executive Officer or his designee is further authorized to take all action and execute all documents as may be necessary or appropriate to implement the foregoing.

